

**LMI ADVISORY GROUP**  
**Thursday, January 16, 2003**  
**Labor Market Information Division**  
**7000 Franklin Blvd., Suite 1100**

**Meeting Minutes**

**PLEASE SEND ANY CORRECTIONS TO  
BONNIE GRAYBILL BY MAY 1, 2003, THANKS.**

**Attendees:**

- Joan Braconi – SEIU Local 250
- Elizabeth Brashers – Kaiser Permanente
- Alicia Bugarin – California Research Bureau
- Ed Chiera – Edward Chiera Associates
- Chris Cochran – California Technology, Trade and Commerce Agency
- Cathy Creeggan – Bureau for Private Postsecondary and Vocational Education
- Karen Cromwell – E.D.D., Labor Market Information Division
- Doug Gray – General Business Services/California Employer Advisory Committee
- Bonnie Graybill – E.D.D., Labor Market Information Division
- Murray Haberman – California Postsecondary Education Commission
- Richard Holden – E.D.D., Labor Market Information Division
- David Illig – California Health and Human Services Agency
- Sandy Kirschenmann – Los Rios Community College District
- ZoAnne Laurente – California Postsecondary Education Commission
- Tamalon Leamer – California Health Care Initiative
- Bob Marr – E.D.D., Director's Office
- Greg Marutani – Private Industry Council, San Francisco
- Chuck McGee – California Employer Advisory Council
- Ken Merchant – California Association of Health Facilities, Quality Care Health Foundation
- Jerry Nolan – E.D.D., Information Technology Branch
- Beverly Odom – California Workforce Investment Board
- Paul Ong – University of California at Los Angeles
- Dennis Reid – Department of Labor, Bureau of Labor Statistics
- Eileen Rohlfing – E.D.D., Job Service Division
- Steve Saxton – E.D.D., Workforce Investment Division
- Joanne Spetz – University of California, San Francisco
- Tim Taormina – E.D.D., Labor Market Information Division
- B. Glen Varner – E. D. D./Office of Statewide Health Planning and Development
- Steve Weiner – Southern California Association of Government
- Stacy Wilson – California Post Secondary Education Commission
- Chuck Wiseley – California Community Colleges Chancellor's Office

**Welcome and Introductions**

**One-Stop Update – Beverly Odom**

What defines a full-service one stop? The Workforce Investment Board (WIB) is developing certification process criteria. The goal is excellence and continued studies on excellence. Certified One Stops must meet 80 percent of 11 goal measures. Several local areas did not meet the measures and will receive technical assistance while on conditional status. Performance measures have received mixed reviews; such as, economic conditions the measures do not consider. Summarized five target initiatives of the Workforce Investment Board for coming year: skilled labor work group regarding apprenticeships; child care; farm workers; veterans, and technical assistance for One Stops in serving individuals with disabilities. WIB is sending letter urging more local representation of vets on local boards. Performance based accountability (PBA)

committee met – employment and earnings outcomes from programs funded by public funds. Reports are on Web site. Will upgrade PBA system to a data warehouse. RFP will be going out in a few months. State Youth Council continues to meet even though not mandated by the federal government. Helps to facilitate communication between Youth service providers. Doug Gray asked how budget would affect monies directed toward health care programs. Sandy Kirschenmann asked about challenges to vocational education funds concerning lack of quality in programs. Beverly had not heard anything about that. There was some concern that monies were not being spent. There is no data collected on universal service—only core and training. Some pilots are going on. Draft goals for WIB are on their Web site, [http://www.calwia.org/state\\_board/index.tpl](http://www.calwia.org/state_board/index.tpl)

**What is the state of the health care labor market in California? Lead: Paul Ong**  
Introductory remarks – We do know a lot about the problems in terms of labor market. We don't know a lot about some indicators: magnitude of shortage, difficult to identify causal factors. His study is for a specific time period. Massive, fundamental economic changes occurred in the last year that may affect the competition for labor. It is too soon to tell. He cautions about making policy based on cyclical data. Different data sets give you different perspectives.

The Caregivers' Training Initiative (CTI) labor market study is a big step forward because for the first time researchers have access to a variety of large and diverse data sets. He is as interested in pushing the methodology forward as he is in what is happening to nursing assistants. Look at his presentation in two ways: 1) Direction we ought to be going with data analysis and 2) Nursing Assistant outlook. Final study will be released in a month.

Shortage exists when demand exceeds supply at the prevailing wage.  
Indicators:

- High job opening to applicant ratio
- Under-staffing (geographic variation)
- Wage disequilibria

Demand is expressed in professional and regulatory standards. Wage stickiness may be an indicator of labor shortage. A look at CalJobs participation showed disparity between jobs posted in CalJobs for Nurse Assistant (NA) and Home Health Aide (HHA) and the number of resumes posted for the same and other occupations. Indications are that it is more difficult to find caregiver applicants than applicants for competing occupations.

Long-term care staffing levels vary across the state—one needs to realize the extent of problem varies tremendously across regions.

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Wages for Certified Nurse Assistants (CNAs) vary by place of employment but only slightly by experience. Wages are growing very slowly compared to other cross-sectional analysis done. Generally, experience should lead to wage growth around two percent. In contrast, CNA wage growth per year is one percent.

Demand is affected by regulations and firm characteristics. Managed care counties and facilities with greater reliance of Medicaid/Medicare have lower staffing levels and lower wages.

Factors associated with perceived difficulty finding employees:

- Employers with more employees report greater difficulty
- Employers with greater use of full-time employees report greater difficulty
- Employers offering health benefits report less difficulty

Number of new CNAs decreased in the late 90s. Number trained at community colleges also decreased. A higher percentage of caregivers work part-time.

Competing industries may be pulling CNAs away from the Health Care industry. Within Health Care, what industry segment did the employees go to or did they leave the industry altogether? Data tables show employees leaving firms.

CNAs experience a pattern of decaying retention rates:

- Dramatic exit that is going on compared to other occupations over last three years. Workers are leaving occupation and industry.
- Those who left industry had better wage growth than those who stayed in industry.
- Vast majority got another job
- CNAs are not renewing their certificates.
- 90-some percent of workers in field are women.
- Most stay in the labor market.

*Joan Braconi* asked if they had any data on how many left because of injury. Did not have that data. Challenge in doing this work is working with the agencies that have the data.

*Braconi* stated many of their workers work two jobs--one full-time and one part-time.

*Doug Gray* asked how this industry compared to other industries with the same wage levels. Paul said he has another study funded by UC looking at expansion data in 90s. What happened to new economy sectors? What happened to people? Turnover? Low wage work tends to have a high turnover. Usually, you don't have certification and license requirements for low wage jobs.

*Joanne Spetz* asked why wages are not rising. Is it because employers see an endless supply? Or is it because industry is so regulated? Within the occupation there does not seem to be much mobility. There is not a big increase in productivity, so it is hard to justify higher wage. CNAs have very little mobility and facilities receive low funding from Medicare. If you want to get mobility, it means accelerating the exits. Industry structure, regulation, and fact that MediCal pays so much of income, affects wages that can be offered. Do employers pay low wages due to regulations, or do they not want to pay higher wages? There is more stickiness with higher education and higher wages.

*Ken Merchant* gave staffing data sheet showing CNA needs by county. There is a modest improvement in staffing patterns. Los Angeles alone matches New York total for direct care needs. 29,000 total range, down a little from last time they surveyed. Derived from 2001 data. Anecdotal reports show it's getting less difficult to find employees (as the economy downturns), and that there are even waiting lists. Registry list is growing again for the first time in years—now over 101,000.

*Murray Haberman* reported the Commission on Post Secondary Education was asked to look at Community Colleges RN training and attrition factors. Bottom line: identify students most likely to succeed up front to make a positive impact. What helps students stay? Data gleaned from Bureau of Registered Nurses. Recommendations to be given to Governor and Legislature are based on this.

*Spetz* said that programs are all doing their own thing, which can be confusing. Prerequisites vary from community college to community college. Remedial courses are necessary and there are more applicants than slots for most programs. Admission and waiting list policies vary from institution to institution. Some use lotteries. The waiting lists vary in function. Results show that programs with high ratios of Afro-American and non-Filipino did worse on attrition. Those institutions with ESL and Board exam-help programs do the best. Reviewers recommend asking community colleges to standardize admission policies and performance measures and to consider a maximum number of units. Some required 95 units. Recommend information be made available to students more readily. Locally driven process, but unilateral standard programs recommended. State should fund support services (ESL and exam help). Financial aid would help students finish faster. Prerequisite study shows grades relationship to completers. The report, *Admission Policies and Attrition Rates in California Community College Nursing Programs*, evaluating community college nursing programs is available at <http://www.cpec.ca.gov/SecondPages/CommissionReports.asp> and at [www.ucop.edu/cprc](http://www.ucop.edu/cprc).

*Haberman* commented that many RN candidates are fully employed while attending school, and this keeps them from getting degree in two years. Study recommends some admissions be prioritized on prerequisite grades and some on lottery. Best three programs had ESL, policy set up for admission, best passing rate on NCLEX. The nursing data are not different from success in other community college programs. Standardized tests are difficult for ESL students.

Go to [www.rn.ca.gov](http://www.rn.ca.gov) to see passing rates of RNs over time. Standardized tests are difficult for those with limited English. There are several on the exam board who are

looking for cultural bias on exams. Spetz said one of the recommendations is that there be added funding to train RNs.

*Chuck McGee:* Are we driving potential RN candidates away? Thought interest in nursing was decreasing. California has a restricted capacity. We have relied on imports of nursing.

*Sandy Kirschenmann:* Community colleges restricted by cost. They “break even” when they have a 40/1 student/teacher ratio. Two major obstacles to addressing the RN shortage through training additional RNs exist: 1) training slots needed for programs; 2) support for students’ foregone wages while they study.

**What are the policy and programmatic intentions of the Governor’s Caregivers Training Initiative and the Nurse Workforce Initiative? Lead: David Illig**

There are two initiatives—first Caregivers Training Initiative (CTI), then Nursing Workforce Initiative (NWI) two years later. In 2000, the Aging with Dignity Act was the father to the CTI, spurred by critical shortage of CNA and other paraprofessionals in health care. Fifty percent of CNAs are employed in nursing homes. Funded with \$15 million/\$10 million state match from WIA and TANF recipient dollars. Needed a mechanism to get the match of DSS money. So, the goal of CTI was how to recruit, train, and retain the welfare to work clients.

Regional Collaboratives were formed to help with the supply program. Ended up with 12 grantees/programs throughout the State. The mechanics of the different funding sources was a challenge. Initial funding was 18 months at the start, with Workforce Investment Board money expected to continue it. In addition, commissioned an evaluation (cost \$600,000) to assess sites and outcomes. End of October 2003 is projected date to see outcome results. There are limits to broader use of data sets.

Nurse Workforce Initiative history: A problem exists in staffing Developmentally Disabled facility healthcare workers that prompted State Health administrators to gather data on nursing shortage. Found nursing shortage of 40 years ago was similar. Finding training slots was difficult, and adding slots is an issue. Song-Brown program was used as an example of how to fund slots with government funds to ameliorate a shortage. Wanted to fund marketing the profession, plus look at the stress levels of the occupation and workplace reform projects to improve retention rates. WIA discretionary funds were used for slot expansion, but this is limited and they need to increase slot expansion. No funding for outreach program.

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*Kirschenmann* said order in which funds were released challenged applicants for the grants. Many in local community college were unable to commit to “innovations” without the assurance of slot expansion funds, which were not immediately available. Colleges are reluctant to start programs with temporary funding.

*Steve Saxton*: Some participants are, in fact, expanding slots.

*Spetz*: Some ideas that have come out are to have employer pay the salary while the funding pays for tuition.

*Chuck McGee* comment: People cannot live on the salary that occupations on the “career path” provide. It’s always been this way.

*Elizabeth Brashers*: Slot expansion is one of the biggest issues.

*Kirschenmann*: Contract Education approach is starting. Each employer supports ten students in Sacramento area. Takes three years and about \$120,000 from the employer to get the new employees.

*Spetz*: There have been cyclical RN shortages starting in World War II. The last one ended in the mid-90s. Nursing is a baby-boomer-heavy profession. There is a shortage of RN faculty. MS nurses can make more money nursing than teaching. The glut of the 90’s and managed care led to this current shortage, along with added job opportunities outside of health care. Other issues include demographics: very few men, aging population of nurses and patients. This may look like it’s going to get better in ten years, but we shouldn’t take our eyes off the ball, because it’s going to get worse in the future with other factors. CTI and the WIBs designed programs without talking to the industry. WIB control issues caused difficulty with collaboratives. Welfare to work dollars were flexible. Programs had difficulty getting referrals from WIA offices. Learning collaboration tools took time.

*Ed Chiera*: Key issues: Lack of lab space to expand nursing training, and nursing instructor shortage. Average salary for instructors: \$60K, critical care nurse with overtime: \$100,000. Why would they want to teach?

Alternative learning styles (online) and at remote locations may leverage resources. *Kirschenmann* disagrees with distance learning from home as caring for children does not provide an environment conducive to learning.

At Kaiser, through SEUI 250, students are given paid days off to go to school, so they don’t lose their benefits.

**What did we learn from the evaluation of the Caregivers Training Initiative, and what do we hope to learn from the evaluation of the Nurse Workforce Initiative?****Lead: Joanne Spetz, David Illig**

*Illig:* Some of the regions had challenges collaborating, leading to start up problems. Lack of prescreening applicants led to some problems getting CNAs licensed—some did not pass the background check when they were fingerprinted after completing training.

*Braconi:* Because money goes through the WIBs, the WIBs design the program. They did not ask for advice from programs such as the Kaiser/SEIU training program, which had been providing the training for several years and had addressed issues such as the background checks.

*Merchant:* Positive results coming from regional collaboratives.

*Illig:* Final report will not be ready until the end of the year.

*Ong:* One of the things that came out of the CTI is trying to expand the pool of applicants. What kind of studies has been done on recruiting from other countries?

**What has worked, and what hasn't, to recruit, assess and select, train and retain health care workers? Lead: Sandy Kirschenmann, Joanne Spetz**

*Kirschenmann:* There are far more applicants than the Community Colleges can take. 162 students have completed 30 prerequisite classes in Los Rios. Internal work to get those students placed. Two major obstacles are: Expansion of slots and the support of the foregone wages to students. Community colleges can train nurses at the associate level. They are looking at the associate baccalaureate at the community college level in other states. In contract education the employer pays full freight.

*Spetz:* From the 2000 National Sample Survey comes conflicting information about retention. How many are out there who are not working? 85 percent who are licensed do work. 15 percent are not working but keep license. Half are 50 or older.

Factors that cause dissatisfaction:

- Staffing ratios
- Not treated with respect
- Hospital RNs express more dissatisfaction than other health care settings
- Increased paperwork
- Shift work
- Specialty nurses happier
- ICU nurses happier

We don't know a lot about LVNs. Scope of practice for LVNs is restrictive in California. We do not know how they will fare in the labor market.

**To what extent are career ladders a solution to recruitment and retention concerns? Lead: Joan Braconi and Elizabeth Brashers**

*Braconi:* SEIU–H1B grant was the first fund source applied to this challenge. The grant application had very short turnaround timelines. Through USF they were able to prepare a full-blown career ladder. The difference for career ladders for health care industry is the regulation. You can't just create a ladder due to restrictions in scope of practice. This makes it difficult to create middle steps. They developed two models for training.

- Kaiser funded 40-hours intensive course with the community colleges. Community colleges are able to tailor programs from 7 to 13 weeks in length to meet Kaiser's needs. Kaiser worked with community colleges that were willing to be flexible. H1B required 25 percent funding match. Kaiser matched 100 percent. Training included labs at the college and clinical work at Kaiser.
- Short-term Model – training on the job, tuition completely paid. Program did not cost the participants a cent. Participants had a guaranteed job. Assessment tests are given. Remedial education is advised. Participants put in a bid through union. Kaiser consolidated on-call jobs into permanent jobs so that they would include benefits. Those currently in temporary jobs tended to bid for benefited jobs. After training they received credential and were placed in appropriate job. Kaiser also took advantage of Employment Training Panel funding to offset Medical Assistant training in the for-profit clinic settings.

Support system at Kaiser was critical. Kaiser Education Center was informed when students were falling behind. Encouragement and tutoring were offered to the student/employee. The Union used career counselors to act as case managers, provide encouragement, monitor progress, and arrange tutoring when needed.

*Brashers:* The benefit of career ladders is that current employees are a pre-informed group already familiar with Kaiser policies and practices. New graduates are given two-week orientation. A new world is possible for participants. Community college instructors encourage students to continue on with prerequisites. Students are paired with a trained employee. Kaiser sees career ladders as a long-term strategy to fill vacancies.

Kaiser case management contributes to student success. 247 people enrolled in training. Kaiser has added a surgical technician program. 65 students enrolled in ladder from LVN to RN program. Kaiser has a 93 percent graduation rate.

Kaiser works with 20 community colleges. Twenty students are needed to make the class viable for the community college, but it is difficult for the employer to fill 20 positions at one time. Challenges are filling classes and finding RN faculty members. Community college budget cuts are also a challenge. Kaiser has needed to use contract trainers more and more often. Costs went from \$35,000 to \$90,000. Partnership between employers (sharing training slots) can help to address this, but it does require trust and cooperation between employers who have typically been in a competitive situation for workers and patients.

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H1B - LVN to RN program - college assessed seven Kaiser students and all seven were accepted into RN program.

Of 172 graduates— 37 percent were African Americans. Career ladders help achieve diversity.

Kaiser has not yet evaluated the cost effectiveness of their career ladder program.

Registry nurses (traveling nurses are hired from registries to fill in for shortages) are paid higher wages. Sometimes there is friction between registry nurses and the permanent hospital registered nurse.

*Braconi:* Local 250 represents allied health workers, such as, LVN, janitors, and radiation clerks.

*Kirschenmann:* The most successful career ladders are those created in partnership with the unions.

**Bureaucratic issues need to be cleared up to facilitate career ladder development. Are there issues that EDD can help resolve? Lead: All**

*Greg Marutani:* Career ladder development can work if the community wants it to--if the community colleges and unions etc. are willing to collaborate.

*Kirschenmann:* Management sees the open dialog as a way to improve the working relationship with the unions.

*Brashers:* Establishing career ladders is expensive on the front end but it pays off in the long run with improved retention. It was tough to get collaboratives together, but it is worth it. A neutral party should bring the career ladder model to the WIBs. Community colleges are a good neutral party to work as an intermediary with the unions.

*Bonnie Graybill:* Career ladders require three-part harmony. Employer leadership and input is vital.

*Brashers:* Kaiser received an H1B grant for \$2.1 million dollars. This was the kick start that made the career ladder development possible.

*Kirschenmann:* As a policy change let's look at how can we foster some change in how ETP dollars are directed. (Health care is typically "not for profit".)

*Glen Varner:* Cited an instance in which CNAs were trained on a career lattice. The facility saved \$10,000 on registry costs for hiring CNAs. The facility had increased applicants because CNAs were interested in the Career Ladder project.

*Spetz-* Will the CNA market collapse in a year and a half?

*Brashers:* Kaiser is aiming for a one to four ratio for patient care. Kaiser does not know what the future of the CNA classification will be.

*Steve Weiner:* A longitudinal study is needed to show whether the career ladder process really paid off. Health care is really driven by supply. (Where do doctors want to live?) Nurses earn a high wage but the cost of living in the area they live in must be taken into consideration.

*Brashers:* Right now Kaiser is double paying. They are paying to train, recruit, and replace employees. This is a culture shift to have an organization foster longevity and education.

### **Last questions/ comments? All**

*Marutani:* Do we have the information about supply for education? Does anyone collect supply side data?

*Illig:* There is no immediate answer.

*Kirschenmann:* Credits the daylong session: "We have moved from data to knowledge to wisdom to advocacy."

### **Next Meeting: April 24 9:00 AM to 3:30 PM**

**This meeting has been postponed until Fall 2003**

### **Agenda Topics:**

Supply /Demand updates

Economic Update

Strategic plan

Update Health Care Report